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21 July 1986

MEMORANDUM FOR Deputy Director of Central Intelligence

Executive Director

FROM:

Director of Central Intelligence

SUBJECT:

SSCI Hearing - 23 July 1986

I would like to develop some paragraphs for my statement to the SSCI on personnel this week which would reflect the interesting ideas you expressed to me on Friday. I think this appearance before the SSCI should boldly suggest the new initiatives on personnel which we will want to get underway next year. I made a similar request to Bill Donnelly for some paragraphs to reflect suggestions made in the first three paragraphs on page 3 and paragraph (e) on page 4 of his paper entitled, "The DA - An action Agenda."

William J. Casey

Attachment:

Draft DCI Statement for the Record - SSCI, 23 July 1986

25X1

STATEMENT FOR THE RECORD DCI

SENATE SELECT COMMITTEE ON INTELLIGENCE

23 JULY 1986

CIA PERSONNEL MANAGEMENT

AS I LOOK AT PERSONNEL AT CIA, I FIND A YOUNG, VIGOROUS AND TALENTED WORK FORCE PLEASED BY CUSTOMER RESPECT FOR THEIR PRODUCT AND CHALLENGED DAILY TO ACCOMPLISH TASKS PREVIOUSLY THOUGHT IMPOSSIBLE. MORALE IS HIGH.

TIME, I WOULD SAY THE ORGANIZATION IS IN A VERY HEALTHY STATE. (U)

DESPITE ALL OF THIS, IT HAS BEEN A PARTICULAR CONCERN OF MINE, AS THE CIA NEARS ITS FOURTH DECADE, TO AVOID THE SORT OF ORGANIZATIONAL MIDDLE AGE WHICH COMES TO MOST INSTITUTIONS, A KIND OF BUREAUCRATIC HARDENING OF THE ARTERIES CHARACTERIZED BY THE GROWTH OF RED TAPE AND OVERREGULATION AND BY A LOSS OF CREATIVITY AND INITIATIVE. (U)

OVER THE PAST COUPLE OF YEARS, WE HAVE PAID INCREASING ATTENTION TO OUR PERSONNEL SYSTEMS TO ENSURE THAT WE WERE CREATING AN ENVIRONMENT WHICH CONTINUED TO ENCOURAGE OUR EMPLOYEES TO WORK TO THEIR FULLEST POTENTIAL AND CAPACITY AND WHICH PERPETUATED THE SENSE OF COMMITMENT AND DEDICATION WHICH LONG HAS BEEN A HALLMARK OF CIA'S CORPORATE CULTURE. WE CUT THROUGH SOME OF THE RED TAPE WHICH HAD DEVELOPED AND TOOK STEPS TO REMOVE CERTAIN OF THE IRRITANTS AND IMPEDIMENTS WHICH HAD CREPT INTO OUR SYSTEM. THIS PROCESS OF SCRAPING THE BARNACLES OFF OUR CURRENT PERSONNEL SYSTEM IS CONTINUING BUT IT IS MY BELIEF THAT MORE FUNDAMENTAL CHANGES NEED TO BE CONSIDERED. (U)

INDEED, I WOULD SUBMIT HERE TODAY THAT WHAT WE NEED IS A NATIONAL

INTELLIGENCE PERSONNEL STRATEGY TO ENSURE THAT WE CAN CONTINUE TO HAVE AND

RETAIN THE BEST INTELLIGENCE CADRE INTO THE 21ST CENTURY. AS I MENTIONED IN

THE NATIONAL FOREIGN INTELLIGENCE STRATEGY PRESENTED TO YOU IN FEBRUARY OF THIS

YEAR, WE MUST CONSTANTLY STRIVE TO ENHANCE THE QUALITY AND MOTIVATION OF OUR

WORK FORCE. WE HAVE IMPLEMENTED THE MOST IMPRESSIVE ARRAY OF TECHNICAL

CAPABILITIES IN THE WORLD. BUT, TO GET WHAT WE SHOULD OUT OF THEM, WE COUNT ON

PEOPLE WHO CONCEIVE THEM, INTERPRET AND USE THEIR PRODUCTS, AND PROVIDE SUPPORT

TO THE ENTIRE INTELLIGENCE PROCESS. THE EFFECT OF CHANGES IN FEDERAL PERSONNEL

POLICIES ON OUR ABILITY TO RETAIN TALENTED AND PROMISING CAREERISTS MUST BE

CAREFULLY MONITORED AND NEW FORMULATIONS FOUND TO PREVENT THE APPEAL OF AN

INTELLIGENCE CAREER FROM DETERIORATING. (S)

AT CIA, I ALREADY HAVE A TASK FORCE HARD AT WORK ON THIS ISSUE AND I AM AWARE OF OTHER INITIATIVES WITHIN THE COMMUNITY. IT IS, THEREFORE, A GREAT PLEASURE FOR ME TO BE HERE TODAY TO SHARE WITH YOU OUR VISION OF THE FUTURE AS YOU BEGIN TO STUDY PERSONNEL ISSUES IN THE INTELLIGENCE COMMUNITY. I AM CONFIDENT THAT AS A RESULT OF OUR JOINT AND COOPERATIVE EFFORTS WE WILL DEVELOP THE PROGRAMS AND STRATEGIES WHICH WILL KEEP OUR INTELLIGENCE PROFESSION AT THE CUTTING EDGE IN THE COLLECTION AND ANALYSIS OF INFORMATION NEEDED TO INFORM THE POLICY PROCESS AND PROTECT OUR NATIONAL SECURITY. (U)

I WANT TO TAKE A FEW MOMENTS TO SET FORTH CERTAIN GUIDING PRINCIPLES, TO TRACE THE CONSERVATIVE EXERCISE OF OUR SPECIAL AUTHORITIES, TO IDENTIFY CERTAIN INITIAL STEPS WE HAVE TAKEN TO USE THESE AUTHORITIES IN NEW AND CREATIVE WAYS AND FINALLY TO EXPLORE WITH YOU THE DIRECTION IN WHICH I FEEL WE MUST HEAD.

GUIDING PRINCIPLES:

EVERY SUCCESSFUL ORGANIZATION HAS A BELIEF SYSTEM, A CULTURE WHICH
DEFINES ITS PLACE IN THE UNIVERSE AND WHICH ENCOURAGES PEOPLE TO WANT TO BECOME
AND REMAIN A PART OF THAT ORGANIZATION. I AM SURE, FOR EXAMPLE, THAT YOU HAVE
SEEN OUR CREDO BUT I THINK YOU CAN BOIL DOWN OUR BELIEF SYSTEM TO THREE
CLUSTERS OF IDEAS. (U)

FIRST, OUR PEOPLE BELIEVE WE ARE THE BEST INTELLIGENCE ORGANIZATION IN THE WORLD. WE ARE APOLITICAL BUT WE ARE POLICY RELEVANT. (U)

SECOND, AS AN INSTITUTION, WE BELIEVE THAT PEOPLE ARE OUR MOST IMPORTANT RESOURCE. WE ARE A FAMILY AND WE TAKE CARE OF OUR PEOPLE. WE ARE A MERITOCRACY AND WE BELIEVE THAT THE INDIVIDUAL EMPLOYEE MAKES A DIFFERENCE, SO WE VALUE THE VIRTUOSO PERFORMER AND WE REWARD THOSE WHO PRODUCE. (U)

AND THIRD, WE ARE A CAN-DO ORGANIZATION. WE ACCOMPLISH THE MISSION AND MEET THE CHALLENGE. WE ARE FORWARD LEANING, FLEXIBLE AND LESS BUREAUCRATIC.

(U)

WE MUST PERPETUATE THIS CULTURE. OUR HUMAN RESOURCE MANAGEMENT SYSTEM,
THEREFORE, MUST SAFEGUARD THESE CENTRAL BELIEFS YET BE SUFFICIENTLY FLEXIBLE TO
MEET THE CHALLENGES OF THE DECADES AHEAD. LET ME TOUCH UPON A FEW OF THESE
CHALLENGES:

THE AGENCY MISSION HAS EXPANDED. THE INTELLIGENCE ISSUES WE DEAL WITH ARE DIFFERENT FROM, AND FAR MORE COMPLEX THAN, THOSE WE HAVE TACKLED IN THE PAST. THE NUMBER OF OUR CONSUMERS LIKEWISE HAS GROWN. WE NOW MUST SERVE SUCH ELEMENTS OF THE GOVERNMENT AS THE DEPARTMENTS OF

ENERGY, TREASURY, AND COMMERCE; NASA, THE ARMS CONTROL NEGOTIATORS, THE SPECIAL TRADE REPRESENTATIVES, YOUR OWN JOINT ECONOMIC COMMITTEE AND SO FORTH.

- TO ACCOMPLISH OUR TASK WE REQUIRE TEAMS OF EXPERTS FROM A VARIETY OF
 ANALYTICAL AND COLLECTION FIELDS, EACH CONTRIBUTING SPECIAL SKILLS AND
 KNOWLEDGE. WE ALREADY FACE KEEN COMPETITION FOR THESE HIGHLY SKILLED,
 EDUCATED AND TALENTED PEOPLE AND FIND IT DIFFICULT TO OBTAIN THE ETHNIC
 AND LINGUISTIC MIX WHICH IS ESSENTIAL TO OUR BUSINESS.
- LOOKING TO THE FUTURE, WE ARE TOLD THAT THE BABY-BOOM GENERATION

 ALREADY HAS ENTERED THE LABOR MARKET AND THE GROUP BEHIND THEM IS MUCH

 SMALLER IN SIZE, SO THE COMPETITION FOR TALENT IN THIS EMERGING WORK

 FORCE IS GOING TO INCREASE FURTHER.
- WE INCREASINGLY FIND THAT OUR PEOPLE, ONCE ON BOARD AND POSSESSING

 SPECIALIZED CLEARANCES AND ACCESS, ARE HIGHLY ATTRACTED TO THE PRIVATE

 SECTOR; PARTICULARLY THOSE WHO HAVE TECHNICAL OR REGIONAL SKILLS OR

 OVERSEAS EXPERIENCE.
- THE MOBILITY REQUIRED FOR MANY CIA OCCUPATIONS DIFFICULT. IN ADDITION,
 TERRORIST ACTIONS OVERSEAS HAVE CLEARLY LOWERED INTEREST IN WORKING
 ABROAD, MUCH LESS IN JEOPARDIZING FAMILIES FURTHER BY WORKING FOR AN
 INTELLIGENCE ORGANIZATION.
- THE AMERICAN EDUCATION SYSTEM IN THE LAST TWO DECADES HAS DONE AN EXCELLENT JOB OF PRODUCING HIGHLY EDUCATED, TECHNOLOGICALLY COMPETENT GRADUATES, BUT HAS GIVEN FAR LESS EMPHASIS TO LANGUAGES, INTERNATIONAL RELATIONS AND POLITICS, AREAS IN WHICH WE EARN OUR BREAD AND BUTTER.

(A TEST OF THIS TREND WOULD BE FOR YOU TO ASK SOME OF YOUR CHILDREN A BASIC GEOGRAPHY QUESTION.)

AND IF THIS WERE NOT ENOUGH, THE TECHNOLOGY IS CHANGING SO RAPIDLY IN SO MANY FIELDS THAT GRADUATES SIX - EIGHT YEARS OUT OF SCHOOL MAY NEED TO BE RETRAINED TO STAY AT THE CUTTING EDGE IN THEIR DISCIPLINES. (C)

ALL OF THIS IS OCCURRING IN AN ENVIRONMENT IN WHICH FEDERAL EMPLOYMENT IS
INFREQUENTLY PORTRAYED AS PARTICULARLY WORTHY OR HIGHLY VALUED, AND THE LOW
ESTEEM IN WHICH CIVIL SERVANTS ARE HELD IS NOT SIMPLY A MATTER OF RHETORIC.
THERE IS THE EVEN HARSHER REALITY OF A STAGNATING AND EVEN DECLINING SALARY AND
BENEFIT STRUCTURE FOR FEDERAL WORKERS. (U)

HISTORIC USE OF DCI AUTHORITIES:

AT CIA, RIGHT FROM THE BEGINNING, THE DCI HAD THE AUTHORITIES TO CREATE A PERSONNEL SYSTEM TO ENABLE HIM TO MEET THE UNIQUE DEMANDS OF THE INTELLIGENCE PROFESSION. BUT AS YOU KNOW, FOR MOST OF OUR HISTORY, WE FELT WE COULD ACCOMPLISH OUR MISSION AND MOTIVATE OUR PEOPLE WITHIN THE BROAD CONTOURS OF THE OVERALL GOVERNMENT PERSONNEL STRUCTURE. AND SO, AS A MATTER OF CHOICE WE BASICALLY FOLLOWED TITLE 5 RULES ON PAY, LEAVE, OVERTIME, STEP INCREASES, AND INCENTIVE AWARDS. INDEED, WE ADOPTED THE GENERAL SCHEDULE (GS) PAY SCALE AND GS GRADE STRUCTURE. (U)

MORE RECENTLY, WE RECOGNIZED THAT CERTAIN CHANGES WERE REQUIRED AND WE INVOKED OUR SPECIAL AUTHORITIES TO IMPROVE OUR HUMAN RESOURCE MANAGEMENT. WE HAVE IMPLEMENTED:

